

Message Text

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20

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 /078 W

----- 123340

R 081445Z APR 76

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 6195

INFO AMCONSUL ZAGREB

UNCLAS BELGRADE 2310

DEPT PASS COMMERCE FOR CMM TURNER, BIC/OIM

E.O. 11652: NA

TAGS: ENGR ETRD BBSR BFOL BEXP YO

SUBJ: YUGOSLAV ELECTRIC POWER INDUSTRY: PART B, OPPORTUNITIES

FOR U.S. BUSINESS

REF: BELGRADE 2309 AND 2311

RECOMMEND INCLUSION IN COMMERCE FMR SERVICE

PART B. OPPORTUNITIES FOR U.S. BUSINESS

1. IMPORTS PRESENTLY FILL ABOUT ONE HALF OF YUGOSLAV NEEDS FOR ELECTRIC POWER EQUIPMENT. GENERATION EQUIPMENT IMPORTS GREW FROM \$32.5 MILLION IN 1973 TO \$52.5 MILLION IN 1974 WHILE IMPORTS OF TRANSMISSION AND DISTRIBUTION EQUIPMENT WENT FROM \$43.4 MILLION TO \$70.4 MILLION. GIVEN THE LARGE SCALE OF DEVELOPMENT PLANS IN ELECTRIC POWER, ANNUAL IMPORTS SHOULD EXCEED \$200 MILLION BY 1980.

2. AN ADDITIONAL IMPETUS TO IMPORTS WILL BE PROVIDED BY THE CAPACITY OF EQUIPMENT REQUIRED BY DEVELOPMENT PLANS. THERMO-ELECTRIC PROJECTS PRESENTLY UNDERGOING DEVELOPMENT ARE HEAVILY ORIENTED TO 300 MW UNITS. FUTURE PROJECTS WILL BE BASED ON

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500-600 MW UNITS OR LARGER. SINCE EXPANSION PLANS OF

YUGOSLAV MANUFACTURERS DO NOT INCLUDE FULL RANGE AND CAPACITIES OF EQUIPMENT REQUIRED BY DEVELOPMENT PLANS, IMPORTS WILL PLAY AN INCREASINGLY GREATER ROLE.

3. US FIRMS WILL HAVE GOOD OPPORTUNITIES TO SUPPLY EQUIPMENT, TECHNOLOGY AND SERVICES TO THIS BURGEONING MARKET. CONTACTS SHOULD BEGIN NOW FOR PROJECTS IN THE 1980-85 TIMEFRAME. THESE OPPORTUNITIES INCLUDE DIRECT SALES OF EQUIPMENT THAT IS NOT PRODUCED, OR PRODUCED IN INSUFFICIENT QUANTITY IN YUGOSLAVIA, ENGINEERING AND CONSULTING SERVICES, TURNKEY PROJECTS, LICENSING AND JOINT VENTURES AS WELL AS COOPERATION WITH YUGOSLAV ENTERPRISES IN THESE AREAS ON THE MARKETS OF THIRD COUNTRIES.

4. US FIRMS WILL FACE STRONG COMPETITION BY SUPPLIERS FROM EASTERN AND WESTERN EUROPE. WEST GERMANY SUPPLIES MORE THAN 40 PERCENT OF IMPORTED EQUIPMENT AND WEST GERMAN FIRMS HAVE BEEN FLEXIBLE IN ARRANGING CREDITS AND COOPERATING WITH YUGOSLAV FIRMS. SOVIET AND OTHER EASTERN EUROPEAN SUPPLIERS HAVE ENJOYED SUCCESS THROUGH LOW PRICES AND LIBERAL FINANCING.

5. SUCCESSFUL COMPETITION ON THE YUGOSLAV MARKET WILL REQUIRE FLEXIBILITY ON THE PART OF US SUPPLIERS. COOPERATION WITH YUGOSLAV FIRMS, INCLUSION OF LOCALLY SUPPLIED EQUIPMENT, AND OFFSET PURCHASES WILL ENHANCE THE OPPORTUNITIES FOR US SUPPLIERS. THE ABILITY TO EXTEND AND/OR ARRANGE CREDIT FOR YUGOSLAV BUYERS WILL BE AN IMPORTANT FACTOR IN THE US EXPORTER'S COMPETITIVE POSITION IN REGARD TO BOTH DOMESTIC MANUFACTURERS AND SUPPLIERS FROM OTHER COUNTRIES.

6. EQUIPMENT WITH STRONG SALES POTENTIAL: GIVEN YUGOSLAV PLANS TO INCREASE GENERATING CAPACITY ON THE BASIS OF DOMESTIC COAL RESOURCES, THE GREATEST IMPORT - POTENTIAL WILL BE FOR EQUIPMENT FOR LARGE CAPACITY (300 MW AND HIGHER) COAL-FIRED PLANTS. OTHER AREAS WITH GOOD POTENTIAL WILL BE HIGH CAPACITY EQUIPMENT FOR HYDROELECTRIC(PARTICULARLY PUMPED STORAGE) PLANTS AND THE TRANSMISSION NETWORK. MARKET RESEARCH HAS SHOWN THE FOLLOWING ITEMS, AMONG OTHERS, TO HAVE STRONG SALES POTENTIAL IN YUGOSLAVIA OVER THE NEXT 10 YEARS.

POWER GENERATION EQUIPMENT AND ACCESSORIES:

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TOTAL ENERGY SYSTEM BASED ON COAL
LARGE CAPACITY BOILERS
COAL HANDLING EQUIPMENT
COAL PULVERIZERS
ALTERNATORS
ASH HANDLING EQUIPMENT
COMPRESSORS
GAS TURBINES

REVERSIBLE TURBINES
LARGE CAPACITY TURBO-GENERATORS
FILTERS
CONTROL EQUIPMENT

TRANSMISSION AND DISTRIBUTION EQUIPMENT:
HIGH VOLTAGE SWITCHGEAR
CIRCUIT BREAKERS
SPECIALIZED CABLES
INSULATORS
ISOLATORS
HIGH VOLTAGE TRANSFORMERS
VOLTAGE REGULATORS

OTHER EQUIPMENT:
LIGNITE-BURNING EQUIPMENT
COAL GASIFICATION EQUIPMENT
COAL LIGNIFICATION EQUIPMENT
INSTRUMENTATION

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ELECTRONIC EQUIPMENT, IMPORT DATA, ELECTRIC POWER PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BELGRA02310
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760134-0713
From: BELGRADE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760485/aaaacubc.tel
Line Count: 136
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 BELGRADE 2309
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2004 by SilvaL0>; APPROVED <04 JAN 2005 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YUGOSLAV ELECTRIC POWER INDUSTRY: PART B, OPPORTUNITIES FOR U.S. BUSINESS
TAGS: ENRG, ETRD, BBSR, BFOL, BEXP, YO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006